

## **COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT**

### **April 2003**

#### Summary

Collections in the Commonwealth Transportation Fund increased by a solid 6.3 percent in April. Most of the monthly increase was attributable to a surge in motor vehicle sales and motor vehicle licenses. Through the first ten months of the fiscal year, growth is up 0.6 percent, considerably behind the official forecast of 3.7 percent growth.

#### Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor fuels tax collections were flat in April, returning to the six-month trend of sluggish growth that began in October. Annual collections are up 1.8 percent, lagging the official forecast by 1.3 percentage points. The outlook for gasoline consumption over the next two months is mixed. Prices for gasoline may ease somewhat in the short-run, but increased seasonal demand during the summer driving season and low crude oil stocks will lead to rising prices. However, demand for gasoline is expected to grow over the coming months if more people shun air travel and opt to drive to vacation locations.

#### Motor Vehicle Sales and Use Tax

Collections in this source surged in April, increasing by 17.6 percent. April marks the first time in six months that monthly collections grew more than 1.1 percent. Year-to-date collections are up 1.2 percent, well behind the 4.5 percent growth expected in the official forecast. Certain factors may continue to support sales, such as rising consumer confidence, now that uncertainty about the war with Iraq is over. In addition, affordability remains at a 25-year high. These factors are offset by the enduring weakness in the U.S. economy. The labor market is expected to give little succor to spent-up and overextended consumers. The U.S. job market contracted again in April and is not expected to turn around until 2004.

#### State Retail Sales Tax

The transportation portion of the state retail sales tax was flat in April, growing by only 0.3 percent. Collections in this source are down 4.5 percent in fiscal year 2003 as the July TTF retail sales tax were retained in the general fund in June.

#### Motor Vehicle Licenses

Motor vehicle registration fee collections bounced back strongly in April, increasing by 39.9 percent. Year-to-date growth is now 9.4 percent, well behind the official forecast of 20.8 percent growth.

Commonwealth of Virginia/Department of Accounts  
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues  
Summary Statement of Revenue Estimates & Collections  
For the Fiscal Years 2002 and 2003  
(Dollars in Thousands)

Revenue	FY 2003 Estimate	As a % of Total Fund	April			Year-To-Date			% Annual Growth Required By Estimate
			FY 2003	FY 2002	% Change	FY 2003	FY 2002	% Change	
Motor Fuel Taxes	\$819,100	28.96	\$57,252	\$57,260	0.0	\$601,809	\$591,265	1.8	3.1
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax	556,300	19.67	51,529	43,830	17.6	442,733	437,375	1.2	4.5
State Sales and Use Tax	381,100	13.47	32,635	32,531	0.3	309,446	323,873	(4.5)	(1.8)
Motor Vehicle License Fees	175,300	6.19	15,175	10,845	39.9	128,936	117,899	9.4	20.8
International Registration Plan	61,300	2.17	5,261	5,679	(7.4)	43,434	47,174	(7.9)	3.5
Interest Earnings	12,400	0.44	4,096	5,557	(26.3)	14,624	14,014	4.4	(11.6)
Misc. Taxes, Fees, and Revenues	23,600	0.84	1,803	2,025	(11.0)	20,217	19,460	3.9	3.5
Total State Taxes and Fees	\$2,049,100	72.45	\$169,751	\$159,727	6.3	\$1,577,199	\$1,567,060	0.6	3.7

# Percentage is greater than 1,000%.

Commonwealth of Virginia/Department of Accounts  
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Statement of Revenue Estimates & Collections  
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		As a %	April			Year-To-Date			% Annual
	FY 2003	of Total			%			%	Growth
Revenue	Estimate	Fund	FY 2003	FY 2002	Change	FY 2003	FY 2002	Change	Required
By Est									
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$699,200	24.72	\$47,681	\$48,101	(0.9)	\$511,565	\$502,467	1.8	3.4
Motor Vehicle Sales and Use Tax	357,600	12.64	32,984	28,123	17.3	284,005	281,787	0.8	4.6
Motor Vehicle License Fees	151,100	5.34	13,261	9,472	40.0	113,089	102,652	10.2	20.1
International Registration Plan	61,300	2.17	5,261	5,679	(7.4)	43,434	47,174	(7.9)	3.5
Misc. Taxes, Fees, and Revenues	23,600	0.84	1,803	2,025	(11.0)	20,217	19,460	3.9	3.5
Total State Taxes and Fees	\$1,292,800	45.71	\$100,990	\$93,400	8.1	\$972,310	\$953,540	2.0	5.4
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,286	\$919	39.9	\$11,839	\$11,576	2.3	(100.0)
Transfer (to) / from Transportation									
Trust Fund	147,200	5.21	35,000	0	-	137,271	0	-	#
Total Highway Maintenance and Operating Fund	\$1,440,000	50.92	\$137,276	\$94,319	45.5	\$1,121,420	\$965,116	16.2	17.3
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes									
(Includes Aviation & Road Taxes)	\$119,900	4.24	\$9,571	\$9,159	4.5	\$90,244	\$88,798	1.6	1.8
Priority Transportation Fund	20,000	0.71	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax									
(Includes Rental Tax)	198,700	7.03	18,545	15,707	18.1	158,728	155,588	2.0	4.5
State Sales and Use Tax	381,100	13.47	32,635	32,531	0.3	309,446	323,873	(4.5)	(1.8)
Motor Vehicle License Fees	24,200	0.85	1,914	1,373	39.4	15,847	15,247	3.9	25.6
Interest Earnings	12,400	0.44	4,096	5,557	(26.3)	14,624	14,014	4.4	(11.6)
Total State Taxes and Fees	\$756,300	26.74	\$68,761	\$66,327	3.7	\$604,889	\$613,520	(1.4)	0.9
Other Revenues:									
Federal Grants and Contracts	\$669,400	23.67	\$80,065	\$72,768	10.0	\$582,316	\$832,862	(30.1)	(29.4)
Receipts from Cities/Counties	37,500	1.33	2,470	3,753	(34.2)	25,766	30,988	(16.9)	10.4
Toll Revenues (Includes Route 28)	72,200	2.55	3,976	4,535	(12.3)	46,386	53,231	(12.9)	14.5
Miscellaneous Revenues	0	0.00	856	843	1.5	14,106	12,949	8.9	(100.0)
Total Other Revenues	\$779,100	27.55	\$87,367	\$81,899	6.7	\$668,574	\$930,030	(28.1)	(26.7)
Transfer (to) / from Highway									
Maintenance and Operating Fund	(\$147,200)	(5.21)	(\$35,000)	\$0	-	(\$137,271)	\$0	-	#
Total Transportation Trust Fund	\$1,388,200	49.08	\$121,128	\$148,226	(18.3)	\$1,136,192	\$1,543,550	(26.4)	(24.0)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,828,200	100.00	\$258,404	\$242,545	6.5	\$2,257,612	\$2,508,666	(10.0)	(7.4)

# Percentage is greater than 1,000%.